

Rába Nyrt. Flash Report for the first 6 months of 2007

Unaudited, consolidated flash report in consideration of the assessment principles of the International Accounting Standards (IFRS)

Company:	Rába Járműipari Holding Nyilvánosan Működő Részvénytársaság
Company address:	H-9027 Győr, Martin út 1.
Sector:	Machine industry
Period:	The first 6 months of 2007
Telephone	36-96-624-460
Telefax:	36-96-624-006
E-mail:	adam.steszli@raba.hu
Investors' contact:	Ádám Steszli

Short summary

External environment

- Expanding sales opportunities in terms of special axles due to the environmental norms introduced on the US utility vehicle market performing at the low level of the first quarter. The European market of heavy vehicles continues to be strong. The Russian bus market is demonstrating growth.
- Continuing increase in raw material prices.
- Energy prices further increasing by 22% compared to the same period of last year and by 9% compared to the last quarter.
- Considerably lower USD exchange rate (13.4%), and slightly (7.6%) lower EUR exchange rate during Q2 of 2007, compared to the same period of last year.

Key events and achievements

Rába Axle Ltd. signed a supplier and long-term cooperation agreement for the strategic period 2007-2010 for an aggregate value of EUR 67 million with the bus division of the GAZ group. The agreement is expected to generate sales in the amount of EUR 13.1 million this year. The sales revenue of the Axle Business increasing year on year is due to the expanding customer base and the increasingly comprehensive product range. The parties also agreed to set up a joint working group aimed at deepening their cooperation in the fields of both axle development and production.

Rába Axle Ltd. and ArvinMeritor have signed a three-year general supply contract based on which the company began the supply of forged, machined front axle blocks as from Q2 of 2007. The expected sales of this strategic product will reach EUR 4 million annually in 2007 and starting in 2008 the annual volume of front axles supplied may reach EUR 6.5 million. This is fully in line with the repeatedly published strategic objectives, according to which Rába wishes to step up its West European sales. ArvinMeritor seated in America is the full fledged axle supplier of the Volvo group within road vehicle manufacturing in Europe, thus the business has through ArvinMeritor become the axle parts supplier of the Volvo group of companies (Volvo and Renault trucks).

Continued lower indirect costs are the result of stringent cost control and of the positive impact of the space consolidation and of the relocations.

No major real estate sales occurred during the period.

Headcount efficiency improved by 13% during the first 6 months compared to last year, the closing headcount of the group declined to 2848 people.

Sales and position of strategic markets:

On the **American market**, the sales revenue during the first 6 months was USD 37.1 million, against USD 33.2 million during the first 6 months of 2006. This means an increase of 11.7%, resulting from two opposite effects: the period was characterised on the one hand by the substantial, temporary decline of the heavy vehicle market, which was offset by the expansion of the cooperation with our strategic partner in the field of special axles.

On the **EU market** Rába's sales figures in HUF terms increased by 11.5%, amounting to HUF 16.5 billion, compared to HUF 14.8 billion of last year.

European exports amounted to EUR 23.8 million during the first 6 months of 2007 compared to EUR 21.6 million during the same period of last year. This corresponds to an increase of 10.2%, to which the Axle business contributed EUR 13.7 million, the Component business contributed EUR 8.7 million and the Vehicle business EUR 1.4 million. In the case of the Axle business, European exports declined by 3.5% on the whole, mainly since Rába's products sold earlier to the European subsidiaries of Dana are now increasingly sold to the Győr plant of the partner. The exports of the Component business increased by nearly 36% in this relation.

Domestic sales amounted to HUF 10.5 billion during the first 6 months of 2007, which is an increase of 15.1% compared to HUF 9.1 billion of the first 6 months of 2006. The sales generated by the Axle business increased by 21%, that of the Component business by 42%, as a result of the increase in the sales revenue generated by the Suzuki and the Axle business sales. Domestic results were deteriorated by the drastically fluctuating during the year, 14% lower sales revenue of the Vehicle business.

On the **CIS and East-European markets** export sales revenues achieved by Rába increased substantially by 28% from EUR 9.8 million during the base period to EUR 12.5 million during the first 6 months of 2007. The increase continues to be attributable to the increase in the demand on the Russian market and the expansion of Rába's strategic relations.

On the **other markets** the sales revenue achieved during the first 6 months of 2007 amounted to USD 1.2 million, against USD 3.1 million of last year. This sales revenue is generated almost entirely on the Japanese market. Additionally, there was a sales revenue item of EUR 2.9 million treated on a project basis.

The Rába Group

The consolidated sales revenue of the Rába group in Q2 of 2007 amounted to HUF 14.5 billion, which is an increase of 10.0% over the figure for Q2 of 2006.

The operating profit of the group during the first 6 months of 2007 amounted to HUF 103 million, compared to the profit of HUF 283 million during the first 6 months of 2006, which is the result of operations purely, upon substantial operational improvement during this quarter.

The financial profit contains an activated hedge profit of HUF 365 million, as well as net interest payment of HUF 147 million in addition to the HUF 71 million of revalued creditor-debtor loans and HUF 361 million in losses due to open hedge positions (the rewrite of open forward transactions from last year is HUF 443 million and the effect of open hedge transactions is HUF 82 million). As a result of these, the financial result is HUF -72 million.

As a result of the above, the Rába group generated a profit of HUF 103 million in the first 6 months of 2007, compared to the loss of HUF 644 million in the same period of last year.

The cash flow positions of the group showed further improvement; on the level of EBITDA, the group registered profits of HUF 856 million during Q2, against last year's figure of HUF 943

million.

Rába Futómű Kft. (Axle Ltd)

The sales revenue of Rába Futómű Kft. during Q2 of 2007 amounted to HUF 9.0 billion after HUF 8.5 billion achieved during Q2 of 2006. This amounts to an increase of 6.4%.

The operating result of the company during Q2 of this year changed to a loss of HUF -165 million, compared to the loss of -85 million of the same period of last year.

On the level of EBITDA, the result of the Axle Business during the period is HUF 399 million, compared to HUF 505 million of last year.

Rába Járműipari Alkatrészgyártó Kft (Component Ltd.)

The sales revenue of the Component Ltd. grew by 33.4% during Q2 of 2007 to HUF 4.1 billion, from HUF 3.1 billion in Q2 2006.

Accordingly, the company generated HUF 187 million in profits at operating level during Q2 of 2007 compared to HUF 113 million during the same period of last year.

On the level of EBITDA, the profit of the Component Ltd. increased by 35% to HUF 304 million during the period, from HUF 226 million of last year.

Rába Jármű Kft. (Vehicle Ltd.)

The sales revenue of Rába Jármű Kft. showed significant volatility during the year. During Q2 of 2007, it amounted to HUF 2.0 billion, which is the same as the figure achieved in Q2 of 2006.

The operating profit was HUF 203 million during Q2 of this year, compared to HUF 141 million during the same period of last year.

On the level of EBITDA, during the first 6 months of 2007 the Company registered a profit of HUF 237 million compared to HUF 184 million of last year.

The Rába Group – other data and events pertaining to the business activity

Sales revenue by business divisions

Sales revenue (million HUF)	Axle	Components	Vehicle	Rába group consolidated
Q1 2006	7,823	2,820	1,762	11,941
Q2 2006	8,500	3,063	1,944	13,135
Q3 2006	7,669	2,804	1,489	11,523
Q4 2006	8,308	3,819	2,346	13,712
Q1 2007	8,137	4,048	1,314	12,981
Q2 2007	9,044	4,087	2,017	14,452

Breakdown of sales revenue during Q2 of 2007.

Million HUF	America	EU			CIS	Other	Total
		Total	export	domestic			
Axle	3,511	3,162	1,648	1,514	1,543	828	9,044
Component	0	4,087	1,078	3,009	0	0	4,087
Vehicle	0	2,017	210	1,807	0	0	2,017
Consolidated	3,511	8,570	2,936	5,634	1,543	828	14,452

Breakdown of operating profit of group subsidiaries within the Rába flash report

		Operating profit						
		2006.					2007.	
		Q1	Q2	Q3	Q4	Year	Q1	Q2
Axle	Futómű	-412	1.715	-95	-34	1.174	-351	-165
Axle*	Futómű*		-85			-626		
Component	Alkatrész	29	313	29	22	393	198	187
Component*	Alkatrész*		113			193		
Vehicle	Jármű	120	141	119	174	554	101	203
Other	Egyéb	285	-1.886	74	-50	-1.577	62	-122
Other*	Egyéb*		114			423		
Total	Összesen	22	283	127	112	544	10	103

*Without write-off of shareholders' loans

PK2. Companies involved in the consolidation

Company	Capital in HUF thousand	Participation (%)	Voting ratio ¹	Classification ²
RÁBA Futómű Kft.	9,762,800	100.00	100.00	S
RÁBA Járműipari Alkatrészgyártó Kft.	300,000	100.00	100.00	S
Rába Jármű Kft.	835,100	100.00	100.00	S
RÁBA Ipartecnika Szolgáltató Kft.	266,860	100.00	100.00	S
RÁBA Vagyonkezelő Kft.	11,000	100.00	100.00	S

¹ Voting right related to participation in the decision-making at the general meeting of the company subject to consolidation.

² Subsidiary (S); Jointly controlled (J); Affiliated (A)

PK. 4. CONSOLIDATED PROFIT AND LOSS ACCOUNT ACCORDING TO IFRS

Data in thousand HUF

Item	1st half of 2007	1st half of 2006	Index	Q2 2007	Q2 2006	Index
Domestic sales revenues	10,478,245	9,103,441	115.1%	5,633,510	4,823,424	116.8%
Export sales revenues	16,954,813	15,972,606	106.1%	8,818,208	8,311,716	106.1%
Sales revenues	27,433,058	25,076,047	109.4%	14,451,718	13,135,140	110.0%
Direct cost of sales	22,248,397	19,209,128	115.8%	11,726,036	9,950,826	117.8%
Gross margin	5,184,661	5,866,919	88.4%	2,725,682	3,184,314	85.6%
Cost of sales	338,539	402,444	84.1%	169,683	207,210	81.9%
General and administration expenses	5,143,229	5,723,464	89.9%	2,608,299	2,882,546	90.5%
Other revenues	410,376	564,409	72.7%	155,432	188,387	82.5%
Other items related to business activities	-5,071,392	-5,561,499	108.8%	-2,622,550	-2,901,369	109.6%
Result of operation before interest payment and taxation	113,269	305,420	62.9%	103,132	282,945	63.6%
Net financial revenues/expenses	-73,291	-1,187,111	193.8%	-71,873	-1,064,243	193.2%
PROFIT BEFORE TAXATION	39,978	-881,691	204.5%	31,259	-781,298	204.0%
Corporate profit tax	-113,925	-55,884	203.9%	-71,610	-136,941	52.3%
PROFIT AFTER TAXATION	153,903	-825,807	218.6%	102,869	-644,357	216.0%
Profit share of minority shareholders						

1. EARNED REVENUES

During the first 6 months of 2007, Rába achieved HUF 27,433 million in sales revenue, compared to HUF 25,076 million during the same period of last year. 61.8 per cent of the revenues came from export, the rest came from domestic sales.

2. EXPENSES AND OTHER REVENUES**2.1. Direct costs**

During the first 6 months of 2007 the direct cost level of Rába was at 81.1 per cent, versus the 76.6% cost level characteristic for the first 6 months of 2006.

2.2. Gross Profit

The gross profit changed from HUF 5,867 million to HUF 5,185 million, which is due to the increase in the sales revenue (+ HUF 2,357 million) and to the significant increase in direct costs (+ HUF 3,039 million). Compared to the favourable development of the exchange rates in the first 6 months of 2006, the first 6 months of 2007 saw a significant deterioration (USD: 212.8 in the first 6 months of 2006, 188.1 in the first 6 months of 2007, EUR: 262.7 in the first 6 months of 2006, 249.8 in the first 6 months of 2007).

2.3. Cost of sales

The cost of sales declined by 15.9 per cent and amounted to HUF 339 million in the first 6 months of 2007, compared to HUF 402 million during the first 6 months of 2006.

2.4. General overhead and administrative expenses

Rába accounts its costs incurred in relation to the management of the company, as well as other general expenses (the first 6 months of 2007: HUF 4,535 million, the first 6 months of 2006: 5,220 million), and various expenditures outside the ordinary business operation (the first 6 months of 2007: HUF 584 million, the first 6 months of 2006: HUF 497 million) and the accounting of technical development as capitalised expenditure (HUF 24 million). General

overhead and administrative expenses include redundancy costs, costs not directly related to production, as well as the necessary provisioning.

2.5. Net revenues

Other revenues amounted to HUF 410 million in the first 6 months of 2007. This amount was HUF 154 million (37.3 per cent) lower than that of the base period. The change is due to the following factors: decline in the sale of tangible assets (HUF -209 million), increase in the release of provisions (HUF +46 million) set aside for lay-offs and repairs under guarantee.

3. (“OPERATING”) PROFIT BEFORE INTEREST PAYMENT AND TAXATION

The profit of Rába before interest payment and taxation in the first 6 months of 2007 was HUF +113 million (the first 6 months of 2006: HUF 305 million). The decline in the gross profit is HUF -682 million, which was improved by the decline in the cost of sales and administrative costs (HUF 644 million) and deteriorated by the decline in other revenues as outlined in section 2.5 (HUF -154 million). Profitability declined from 1.2% during the base period to +0.4%. The profitability of operating profit + depreciation increased from +6.4 per cent to +6.1 per cent.

4. FINANCIAL REVENUES AND EXPENSES

4.1. Net financial result

In the first 6 months of 2007, the net gain on hedging transactions amounted to HUF 656 million, the gain during the first 6 months of 2006 was HUF 749 million.

Within net financial revenues, a part of other items stem from exchange rate gains/losses of FX items (30 June 2007: HUF -401 million, 30 June 2006: HUF -1,642 million).

The components of this are as follows:

The unrealised gain on the revaluation of forward transactions as at 30 June 2007 was HUF -82 million, against HUF -2,031 million during the base period. The unrealized gain of the forward transactions of December 31st 2006 was released during the first 6 months of 2007, the financial impact of which was HUF -682 million (the same value during the first 6 months of 2006 was +1,357 million). Net financial results also include the effect of the revaluation of debts, accounts payable and accounts receivable, which in the first 6 months of 2007 was HUF +199 million, and HUF -967 million in the first 6 months of 2006. Based on the above, the net financial result was HUF -73 million during the first 6 months of 2007 (the first 6 months of 2006: HUF -1.187 million). The net financial revenues consisted of the following principal items:

	<u>1st 6 months of 2007</u>	<u>1st 6 months of 2006</u>
Revenue from dividends	1.665	0
Interest income and expenditure, net	-306.772	-306.359
Realised gain on forward transactions	655.609	748.778
Release of unrealized gain of forward transactions during previous year	-681.848	1.356.695
Unrealised gain of forward transactions	81.556	-2.030.870
Result of revaluation of FX and loans	198.671	-967.354
Result from the sale of participations	3.683	0
Others	-25.855	11.999
	<u>-73.291</u>	<u>-1.187.111</u>

4.2. Profit from external companies

The IFRS-based consolidated profit and loss statement of Rába contains no profit from external companies.

5. PROFIT BEFORE TAXATION AND NET PROFIT

The result before taxation was a profit of HUF 40 million in the first 6 months of 2007, which as a result of the factors outlined in sections 2.1-4.2 is HUF 922 million higher than the level of the first 6 months of 2006. The profitability index represents a 0.1 per cent return on sales on the basis of profit before taxation, compared to -3.5 per cent during the base period.

At group level the tax liability amounts to HUF -114 million, which is almost entirely the tax liability due on the basis of the unrealized profit of forward transactions.

6. IFRS-HAS DIFFERENCES

In the case of Rába, the differences between the profit and loss accounts prepared according to the Hungarian Accounting Standards (HAS) and the International Accounting Standards (IFRS) are predominantly due to the following factors:

- revaluation of forward transactions and reversal of the revaluation of the previous year,
- accounting under IFRS as costs of technical development, foundation and reorganisation expenses capitalised according to HAS,
- treatment as financial leasing of production equipment purchased as operating leasing within the group,
- accounting of the treasury shares purchased by the employees of the company on a monthly basis,
- accounting of the share options made available to the managers within the Share Option Programme.

PK. 3. CONSOLIDATED BALANCE SHEET ACCORDING TO IFRS

Data in HUF thousand

Item	30 June 2007	30 June 2006	Index
Properties, machines, equipment	16,478,495	18,003,415	91.5%
Intangible assets	59,371	129,708	45.8%
Long-term participations	0	0	
Other participations	2,975	3,952	75.3%
Other investments	2,834	6,362	44.5%
Long-term receivables	449,560	376,668	119.4%
Deferred tax	852,634	2,022,391	42.2%
Total invested assets	17,845,869	20,542,496	86.9%
Securities	80,000	80,000	100.0%
Stocks	9,963,308	8,454,588	117.8%
Assets kept for sale	1,798,721	0	
Receivables related to tax	1,059,984	891,410	118.9%
Receivables	12,021,801	8,681,269	138.5%
Liquid assets, bank account	857,292	112,313	763.3%
Total current assets	25,781,106	18,219,580	141.5%
Total ASSETS	43,626,975	38,762,076	112.6%
Share capital	12,886,817	12,816,667	100.5%
Capital reserve	6,817,027	6,808,252	100.1%
Retained earnings	-3,347,729	-7,861,099	157.4%
Total capital and reserves	16,356,115	11,763,820	139.0%
Long-term liabilities	7,762,752	7,835,616	99.1%
Total long-term liabilities	7,762,752	7,835,616	99.1%
Short-term credits and loans	6,003,089	6,449,945	93.1%
Short-term liabilities	13,505,019	12,712,695	106.2%
Short-term liabilities total	19,508,108	19,162,640	101.8%
Total LIABILITIES (equity and liabilities)	43,626,975	38,762,076	112.6%

I. Analysis of principal balance sheet items and their changes**1. INVESTED ASSETS****1.1. Properties, machines and equipment**

The consolidated net value of properties, machines and equipment changed from the closing value of HUF 18,003 million of the previous year to HUF 16,478 million. The principal reason for the change is due to the fact that the book value of HUF 1,799 million of the Railway vehicle site to be sold to the Engel Group was reclassified by the Company in December of 2006 as assets for sale within current assets, since according to our current position, these assets do not serve the activity of the enterprise in the long run. The revenues expected from the business are going to significantly exceed the book value of the property.

1.2. Intangible assets

The net value of intangible assets was HUF 59 million, HUF 70 million less than that of the base period. Rába NyRt. has only licences among intangible assets. The decline corresponds to the depreciation between the two periods.

1.3. Long-term participations

This balance sheet line shows the proportion of an associate enterprise relating to the parent company. On 30 June 2007, it amounted to HUF 0, i.e. it was identical with the base period.

1.4. Other participations

Some of the other participations include subsidiaries not involved in the consolidation, and the rest are other participations, in the case of which Rába's stake is less than 25 per cent. Their closing figure as at 30 June 2007 was HUF 3 million, which is HUF 1 million less than during the base period, due to the sale of the stake in MI Technik Alkatrésztesztelő Kft.

1.5. Other investments

The closing value of other investments was HUF 3 million, which was HUF 3.5 million below the previous year's figure.

1.6. Long-term receivables

This balance sheet line shows long-term receivables on a discounted value among invested assets in the balance sheet. Long-term receivables include the following items:

Description	Original value	Effect of discounting	Discounted value
2006 opening	412,950	36,282	376,668
Q1 2006 closing	412,950	36,282	376,668
Generated	158,500	24,968	133,532
Released	-75,887	-15,247	-60,640
2006 closing	495,563	46,003	449,560
1st 6 months of 2007 closing	495,563	46,003	449,560

1.7. Deferred tax

On 30 June 2007, the deferred tax amounted to HUF 853 million, HUF 1.2 billion less than the value as at 30 June 2006. The change is due to the change in tax liabilities as detailed under section 5 and to the release at the end of 2006 of HUF 832 million of the deferred tax claim set aside for the loss of the previous years, since the enforceability of this tax claim is uncertain because of the expected changes in taxation policy and the profits expected within the foreseeable future.

2. CURRENT ASSETS

2.1. Stocks

On 30 June 2007, the closing value of stocks was HUF 9,963 million (30 June 2006: HUF 8,455 million). The change is +17.8%, due to the increase in materials and goods (by HUF +941 million) and the decline in finished goods (by HUF -18 million) and the increase by HUF 586 million in the value of work in progress.

2.2. Assets for sale

The increase of assets by HUF 1,799 million is due to the reclassification of the book value of the Railway Vehicle Site as detailed under section 1.1.

2.3. Tax receivables

Tax receivables (HUF 1,060 million) originate largely from the reclaimed VAT in relation to export activities (30 June 2006: HUF 891 million).

2.4. Receivables

The closing figure of receivables as at the end of the first 6 months of 2007 was HUF 12,022

million, an increase of 3.3 per cent over the base period (closing figure for the first 6 months of 2006: HUF 8,681 million). The increase is due to the following factors:

- Increase in accounts receivable (HUF 2,486 million) due to the fact that Rába has offered several major customers longer payment terms in order to secure sales growth,
- Accruals of proceeds from forward transactions of the end of 2006, closed but still uncollected (HUF 647 million)
- Accounting of unearned gains of the revaluation on 30 June 2007 of forward transactions (HUF 82 million)
- Increase in other receivables (HUF 249 million)
- Difference in tax receivable as described under section 2.3 (HUF -169 million).

2.5. Liquid assets

The closing figure of liquid assets on 30 June 2007 was HUF 857 million (30 June 2006: HUF 112 million). The reason for the increase is due to

- Cash set aside on the one hand and
- A significant customer receivable collected during the last days of the period.

3. EQUITY AND RESERVES

3.1. Share capital

Rába Nyrt.'s share capital consists of common shares with a nominal value of HUF 1,000 each, entitling the shareholders to the dividend announced in a particular period, and providing one vote at the General Meeting of the Company. On 30 June 2007, the share capital of the company was HUF 12,887 million, which is HUF 70 million higher than the figure prevailing on 30 June 2006. The change is due to the Rába incentive share programme launched 3rd February 2006, within which the management purchases Rába shares. The aim of the programme is to strengthen ownership spirit within the company and to thus increase the market value of the company. The programme is open to any employee of the company and has resulted in the sale of 26,272 treasury shares between the two periods.

To foster common interests between the shareholders of RÁba Nyrt and the management of the Rába Group, as well as to increase ownership spirit within the management, the general meeting of Rába Nyrt. Has decided to launch a five-year medium-term management share option programme, entitled the Management Share Option Incentive Programme and authorised the Board of Directors to execute the programme. Share option agreements were signed on 28 July, 2006, for Rába Nyrt. Shares. Based on the performance in 2006 of the Rába shares, the first opportunity for the draw down was opened on 27 February 2007. In order to further increase share value, the participants of the scheme have volunteered not to exercise their option until the second draw down opportunity is opened. During the period two people – due to the termination of their jobs - exercised their right to purchase 43,878 shares made available to them in accordance with the share option agreement.

3.2. Capital reserve

On 30 June 2007, the capital reserve was HUF 6,817 million, HUF 9 million more than that on 30 June 2006. The difference between the actual value and the nominal value of the treasury shares as described under section 3.1 is accounted for under this item.

Retained earnings

The retained earnings (HUF –3,348 million) changed compared to the previous year (HUF - 7,861 million) in line with the result realized between the two periods.

	Share capital	Capital reserve	Profit reserve	Total
Balance as at 1 January 2006	12,781	6,832	-7,035	12,578
Net profit	-	-	-826	-826
Sale of treasury shares	36	-24	-	12
Balance as at 30 June 2006	12,817	6,808	-7,861	11,764
Balance as at 1 July 2006	12,817	6,808	-7,861	11,764
Net profit	-	-	4,355	4,355
Sale of treasury shares	23	9	-	32
Balance as at 31 December 2006	12,840	6,817	-3,406	16,151
Balance as at 1st January 2007	12,840	6,817	-3,506	16,151
Net profit	-	-	154	154
Draw down of share option	44	-	4	48
Sale of treasury shares	3	-	-	3
Balance as at 30 June 2007	12,887	6,817	-3,348	16,356

4. LONG-TERM LIABILITIES

The closing value of long-term liabilities as at 30 June 2007 amounted to HUF 7,763 million (on 30 June 2006, the closing figure was HUF 7,836 million), which no longer included the repayment liabilities of medium-term loans due within one year. The change is -0.9%.

5. SHORT-TERM LIABILITIES

5.1. Short-term credits and loans

The amount (HUF 6,003 million) of short-term credits and loans declined by 6.9% compared to the previous period (HUF 6,450 million).

5.2. Short-term liabilities

The amount of short-term liabilities (closing figure on 30 June 2007: HUF 13,505 million) increased by 6.2% compared to the base period (of HUF 12,713 million).

PK 5. CONSOLIDATED CASH-FLOW STATEMENT FOR THE FIRST 6 MONTHS OF 2007
Figures in HUF thousand

The first 6 months of 2007

Cash-flow of ordinary operation:

Profit before taxation net of profit shares from associate companies	152,847
Revenues and expenses not affecting the cash flow of ordinary operation	1,679,965
Changes in assets and liabilities related to ordinary activities	47,713
Of which: customers	-1,886,148
Suppliers	1,206,370
Taxes paid during current year	934
	1,881,459
<u>Changes in financial assets due to financial transactions</u>	=
Sale of treasury shares	51,408
Purchase of treasury shares	0
Net reduction / increase of securities	0
Net increase / decrease of credits and loans	-845,831
Dividend paid	0
	-794,423
<u>Changes in cash-flow of investment activity</u>	=
Revenues from the sale of invested assets	0
Sale of tangible assets	523,683
Purchase of invested assets	-1,330,774
	-807,091
Changes in liquid assets	279,945
<u>Revenues and expenses not affecting the cash flow of ordinary activities</u>	
Depreciation	1,564,918
Revaluation	291,011
- of which: unrealized exchange rate gains/loss of forward transactions	600,292
- of which: revaluation of customer, supplier loans	-309,281
Loss (gain) on the sale of tangible assets	-175,964
Result of the sale of participation	0
Write-off of assets invested	0
	1,679,965
<u>Changes in assets and liabilities related to ordinary activities</u>	
Reduction / increase of stocks	-1,450,044
Changes in receivables / liabilities	1,497,757
	47,713

PK6. Major off-balance sheet items

Description	Value (HUF)
According to a separate list*	

Forward FX deals serving as collateral for the exchange rate risk of export sales revenues:

sale of USD 2 million in exchange for HUF.

The bank loans of the Rába Group amount to HUF 13.540 million, of which the loans secured with liens and mortgages on movable assets and real property amount to HUF 13,289 million.

The amount of bank guarantees issued on behalf of the Rába Group is HUF 382 million.

III. DESCRIPTION OF MAJOR FACTORS AND CHANGES

RS1. Ownership structure, ratio of participation

Description of ownership	Total equity						Series listed ¹			
	Beginning of current year (1 January)			At the end of the period (30 June)			Beginni ng of term		End of term	
	% ²	% ³	No. of pcs.	% ²	% ³	No. of pcs.	%	Pcs	%	Pcs
Domestic institutional/corporate	29,61	31,06	3.988.881	34,47	36,03	4.644.545				
Foreign institutional/corporate	21,56	22,62	2.905.506	28,20	29,48	3.800.120				
Foreign private individual	0,24	0,25	32.657	0,45	0,47	61.111				
Domestic private individual	25,40	26,64	3.421.906	24,98	26,11	3.366.271				
Employees, managing executives	0,364	0,381	48985	0,36	0,38	48.430				
Treasury shares	4,67		629.625	4,32		582.409				
Shareholder forming part of general government	7,30	7,66	983.440	7,20	7,53	970.560				
International Development Institutions	10,85	11,39	1.462.446	0,00	0,00	0				
Other	0,00	0,00	0	0,00	0,00	0				
TOTAL	100,00	100,00	13.473.446	100,00	100,00	13.473.446				

¹ If the series listed equals the total equity, it need not be filled in if so indicated. If more than one series are listed on the Stock Exchange, the ownership structure should be specified for each series.

² Ownership ratio

³ Voting right ensuring participation in the decision making process at the issuing general meeting of shareholders. If the ownership ratio and the voting right are the same, only the column regarding the ownership ratio needs to be filled in/published while stating such fact!

⁴ E.g.: ÁPV Rt., Social Security, Local Government, 100% state-owned companies, etc.

⁵ E.g.: EBRD, EIB, etc.

RS3. Listing, introduction of shareholders with a stake exceeding 5% (as at 30 June 2007)

Name	Nationality ¹	Activity ²	Quantity (pcs)	Ownership stake (%) ³	Voting right (%) ^{3,4}	Comment ⁵
DRB Hicom Group	F	B	1.462.446	10,85	11,38	
SVT Wamsler	D	B	1.407.446	10,45	10,92	
Trigon Active Alpha Fund	F	B	686.314	5,09	5,32	
Municipality of Győr	D	G	968.850	7,19	7,52	

Treasury Shares	D	B	582.409	4,32		
-----------------	---	---	---------	------	--	--

¹ Domestic (D), Foreign (F)

² Asset manager(A). General government (G). International Development Institution (IFI). Institutional(I). Business entity (B) Private (P). Employee. Managing executive (E)

³ Should be rounded to two decimal figures

⁴ Voting right ensuring participation in the decision making process at the issuing general meeting of shareholders.

⁵ E.g.: strategic investor, financial investor, etc.

RS2. Changes in the number of treasury shares during the current year (No. of pcs.)

	1 January	30 March	30 June	30 September	31 December
Company level	629.625	626.527	582.409		
Subsidiaries					
Total	629.625	626.527	582.409		

All of the shares repurchased are treasury shares directly owned by the parent company.

TSZ2. Headcount of full-time employees (No. of people)

	End of base period	Beginning of current year	End of current period
Company level	20	19	19
Group level	2.951	2.859	2.848

The consolidated closing headcount as at 30 June 2007 was 2,848 people, which represented a decline of 3.5% compared to the end of the base period.

TSZ3. Managing executives, strategic employees

¹ Employee in strategic position (SP). Member of the Board of Directors (BD). Member of the Supervisory Board (SB)

Type ¹	Name	Position	Beginning of mandate	End/ termination of mandate	Shares held (pcs)
BD	István Pintér	Chairman of the BD	2005		19,429
BD	Abbas Mehad	Board member	1998	2007	
BD	Antal Apró	Board member	1998	2006	
BD	Olivér Martin	Board member	2003		555
BD	Róbert Hrabovszky	Board member	2005		555
BD	Alan Spencer	Board member	2006		0
BD	Khalid Abdol Rahman	Board member	2007		0
SB	Dr. János Benedek	Chairman of the SB	2004		0
SB	Lajos Horváth	Supervisory Board member	2003		0
SB	Péter Budaházy	Supervisory Board member	2004	2006	
SB	István Préda	Supervisory Board member	2004	2006	
SB	Zoltán Varga	Supervisory Board member	2006		0
SP	István Pintér	Chairman-CEO	2003	Definite	19,429

SP	Béla Balog	Deputy CEO	2004	Indefinite	5,821
SP	Ferenc Vissi	HR Director	2001	Indefinite	7,797
SP	József Szabó	Purchasing and Asset Mgmt. Director	2001	Indefinite	8,211
SP	László Urbányi	Managing Director	2005	Indefinite	4,412
SP	János Torma	Managing Director	2005	Indefinite	1,650
TOTAL No. of shares held (pcs):					48,430

Changes in employment

The General Meeting of Shareholders held on 25th April 2006 elected Alan Spencer to the Board of Directors. Simultaneously the board membership of Antal Apró was terminated. Zoltán Varga was elected to the Supervisory Board, while the Supervisory Board membership of Péter Budaházy and István Préda was terminated.

The General Meeting of Shareholders held 26th April 2007 elected Khalid Abdol Rahnman to the Board of Directors. Simultaneously, the board membership of Abbas Mehad was terminated.

Events following the closing day

On 4 July 2007, Trigon Active Alpha Fund acquired a stake in Rába Nyrt exceeding 10%.

Rába Nyrt. (individual) balance sheet (MSZSZ)

Figures in thousand HUF

No.	Description of item	30 June 2006	30 June 2007	Index
A.	Invested assets	18,721,277	16,005,215	85.49%
I.	Intangible assets	945,339	34,419	3.64%
II.	Tagibles	9,085,587	7,165,475	78.87%
III.	Financial assets invested	3,206,439	8,805,322	274.61%
B.	Current assets	4,412,151	5,697,784	129.14%
I.	Stocks	3,659	1,908,452	52163.81%
II.	Receivables	3,738,031	2,945,392	78.80%
III.	Securities	652,559	582,409	89.25%
IV.	Liquid assets	17,902	261,531	1460.89%
C.	Active accruals	144,278	173,722	120.41%
	Total assets	16,885,845	21,876,722	129.56%
D.	Shareholders' equity	10,648,388	15,522,988	145.78%
I.	Registered capital	13,473,446	13,473,446	100.00%
	Of which: ownership stake repurchased at face value	652,559	582,409	89.25%
III.	Capital reserve	11,040,016	11,040,016	100.00%
IV.	Retained earnings	-12,537,682	-9,304,864	74.22%
V.	Fixed reserves	652,559	582,409	89.25%
VII.	Net profit	-1,979,951	-268,020	13.54%
E.	Provisions	66,420	66,500	100.12%
F.	Liabilities	6,137,865	6,250,453	101.83%
I.	Subordinated liabilities	0	0	
II.	Long-term liabilities	126,448	0	0.00%
III.	Short-term liabilities	6,011,417	6,250,453	103.98%

G.	Passive accruals	33,172	36,781	110.88%
	Total liabilities	16,885,845	21,876,722	129.56%

Rába Nyrt. (individual) profit and loss statement (MSZSZ)

Figures in thousand HUF

No.	Description	Jan-June 2006	Jan-June 2007	Index
I.	Net sales revenue	700,065	677,230	96.74%
II.	Direct costs of sales	160,303	163,970	102.29%
III.	Gross sales revenue	539,762	513,260	95.09%
IV.	Indirect sales costs	614,862	600,150	97.61%
V.	Other revenues	359,138	416,058	115.85%
VI.	Other expenditures	197,746	420,316	212.55%
A.	Operating profit	86,292	-91,147	194.7%
VIII.	Revenues from financial transactions	65,170	27,124	41.62%
IX.	Expenditures of financial transactions	108,886	203,879	187.24%
B.	Profit of financial transactions	-43,717	-176,755	-404.32%
C.	Ordinary business profit	42,575	-267,902	729.2%
D.	Extraordinary profit	-2,022,527	0	0.00%
E.	Profit before taxation	-1,979,951	-267,902	186.5%
XII.	Tax liability	0	118	
F.	After-tax profit	-1,979,951	-268,020	186.5%

ST1. Extraordinary communications published during the current period

Date	Place of publication	Subject, brief summary
05-01-2007	No. 4. MATÖKE	Announcement of Rába Járműipari Holding Nyrt regarding the treasury share transaction
06-02-2007	No. 26. MATÖKE	Announcement of Rába Járműipari Holding Nyrt regarding the treasury share transaction
13-02-2007	No. 31. MATÖKE	Flash report of Rába NyRt for 2006
06-03-2007	No. 46. MATÖKE	Announcement of Rába Járműipari Holding Nyrt regarding the treasury share transaction
26-03-2007	No. 58. MATÖKE	Invitation to the general meeting of shareholders of RÁBA Járműipari Holding Nyrt.
05-04-2007	No. 66. MATÖKE	Announcement of Rába Járműipari Holding Nyrt regarding the treasury share transaction
10-04-2007	No. 68. MATÖKE	Principal business figures of Rába Nyrt. főbb gazdálkodási adatai
20-04-2007	No. 76. MATÖKE	Extraordinary announcement of Rába Nyrt. Regarding the change in the acquisition of a stake exceeding 5%
27-04-2007	No. 81. MATÖKE	Resolutions of the General Meeting of Shareholders of Rába Nyrt. held 26 th April 2007., Stock exchange report of Rába Nyrt. for 2006.
07-05-2007	No. 85. MATÖKE	Announcement of Rába Járműipari Holding Nyrt regarding the treasury share transaction
09-05-2007	No. 87. MATÖKE	Announcement of Rába Járműipari Holding Nyrt regarding the treasury share transaction
15-05-2007	No. 91. MATÖKE	Announcement of Rába Nyrt. regarding the venue of the

		viewing of its flash report
18-05-2007	No. 94. MATÖKE	Announcement of Rába Járműipari Holding Nyrt regarding the treasury share transaction
21-05-2007	No. 95. MATÖKE	Summary report of Rába Nyrt.
24-05-2007	No. 98. MATÖKE	Announcement of Rába Járműipari Holding Nyrt regarding the treasury share transaction
29-05-2007	No. 100. MATÖKE	Announcement of Rába Járműipari Holding Nyrt regarding the treasury share transaction
01-06-2007	No. 103. MATÖKE	Announcement of Rába Járműipari Holding Nyrt regarding the treasury share transaction
04-06-2007	No. 104. MATÖKE	Announcement of Rába Járműipari Holding Nyrt regarding the treasury share transaction
11-06-2007	No. 109. MATÖKE	Announcement of Rába Járműipari Holding Nyrt regarding the treasury share transaction

PK1. General information pertaining to the financial data:

	Yes	No
Audited	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Consolidated	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Accounting principles **Hungarian** **IFRS** **Other**

Other:

Declaration of liability

RÁBA NyRt hereby declares that the flash report contains data and statements that are true and valid and that no fact relevant to the assessment of the situation of the Company was hidden.

In the context of the flash report, Rába Nyrt wishes to emphasize the following:

- The figures shown in the flash report are unaudited but have been compiled from the available data relying on the best efforts of the management.
- Rába has prepared its flash report in a form in compliance with the requirements of the Stock Exchange Regulations, in consideration of the International Financial Reporting Standards (balance sheet and profit and loss statement). This does not, however, mean the publication in full of the accounts as per the IFRS.

There have been no changes in the accounting policy of the group companies; the accounting policies of the companies involved in the consolidation are consistent with each other.

Győr, 15 August 2007

István Pintér
Chairman-CEO

Béla Balog
Deputy CEO